



# REVENUE GENERATION FOR GOVERNANCE AND GROWTH(RG3) ACTIVITY

May 2016-May 2019| Implementer: Development Alternatives Incorporated

The Revenue Generation for Governance and Growth (RG3) Activity is designed to build the capacity of targeted Government of Liberia (GOL) institutions, particularly the Ministry of Finance and Development Planning (MFDP) and the Liberia Revenue Authority (LRA), to improve domestic revenue mobilization in Liberia. RG3 will support the MFDP to develop the capacity to formulate sound, predictable, and fair revenue policies. It will also support the LRA to enhance its ability to effectively, efficiently, and transparently implement those policies and carry out its revenue collection mandate

## CURRENT ACTIVITIES

- Testing and improving e-filing and mobile payment solutions
- Implementing change management to improve sustainability of
  - *Mobile Payments*
  - *Data Processing Center*
  - *E-filing*
- Continue supporting the reform of the excise tax law in Liberia
- Continue to inform Property Tax Pilot in Monrovia
- Improve capacity for audit process and risk based audit selection for LRA
- Supporting synchronization of RG3 deployed solutions and Standard Integrated Government Tax Administration System (SIGTAS) database
- Improving automated compliance monitoring and reporting

- Supporting taxpayer services on FAQs, etc.
- Conducting SMS-based outreach
- Inform necessary regulations to support LRA e-services

## **ACCOMPLISHMENTS TO DATE**

- Launched data processing center improving transparency for 30-50% of revenues
- Introduced e-filing with 30% of large taxpayers enrolled
- Introduced mobile payment with 4,000 mobile people-to-government payments made to date, reducing cost of compliance, administration and opportunities for corruption
- Introduced e-payment with 30-50% of taxes paid through commercial banks e-payment portals
- Number of large tax filers increased from 19% to 43%, or 126% up (2016 vs 2018)
- Piloted first generation risk-based audit selection
- Property tax revenues increased 6% in USD terms in 2017/18
- Developed first generation microsimulation model for forecasting & analysis
- Submitted excise tax law to the National Legislature
- Tax education inquiries to LRA Call Center: 1750% up (from 60 to 1,108)
- Established taxpayer advocate office with 70 cases resolved to date
- Mapped 44,000 properties as part of Montserrado property tax pilot

## **PLANNED OUTCOMES**

- Reduced cost of compliance
- Increased tax revenues as percentage of GD
- Improved revenue modeling and forecasting at MFD
- Increased taxpayer education and compliance.
- Reduced scope for corruption
- Improved taxpayer perception of fairness by LRA
- Improved tax policy-making and business environment